

REMARKS

A. INTRODUCTION

The Office Action has been received and carefully considered. The Abstract has been amended. No new matter is added by this Amendment. Support for the amendments may be found in the specification. Applicants believe that the application is now in condition for allowance and notice thereof is respectfully requested.

B. MINOR INFORMALITIES

Responsive to Examiner's suggestion, the grammatical error in lines 6-7 of the Abstract has been corrected.

C. THE REJECTION UNDER 35 U.S.C. § 102

The Office Action rejects claims 1-47 under 35 U.S.C. § 102(b) as being anticipated by Atkins (U.S. Patent 5,644,727, hereinafter "Atkins"). These rejections are respectfully traversed as follows.

Claim 1 recites a system for processing electronic transactions, the system comprising a first interface to at least one cash account against which charges incurred through use of a linked account instrument are drawn, a second interface to at least one credit account used to back said at least one cash account in the event of insufficient funds in said at least one cash account to cover the charges incurred through the use of the linked account instrument, and an authorization server, communicating with the first interface and the second interface, the authorization server authorizing individual transactions against a pre-determined cumulative limit on said at least one cash account, and performing sweeps of said at least one cash account at predetermined times to determine whether said at least one cash account contains sufficient funds to cover the charges incurred through use of the linked account instrument.

Claim 24 recites a method for accessing funds in at least one cash account, the method comprising the steps of: (a) interfacing to an authorization server to authorize individual transactions initiated through use of a linked account instrument against a predetermined cumulative limit on said at least one cash account; and (b) performing sweeps of said at least one cash account to determine whether charges incurred through use of the linked account card can be satisfied by funds in said at least one cash account, or charged against at least one designated backing credit account.

(1) Atkins Teaches A Subject Matter Completely Different From The Present Invention.

Atkins teaches a financial planning tool. Atkins is directed to “a method and apparatus for effecting an improved personal financial analysis, planning and management system incorporating a digital system of electronic exchange, investment and borrowing with means of implementing, coordinating, supervising, planning, analyzing and reporting upon an array of asset accounts such as investments and liability accounts such as credit facilities.” Col. 7, lines 19-26. Specifically, Atkins teaches a financial planning tool based on a Home Owner’s Management Equity (HOME) mortgage, which tool provides an individual the opportunity to make increased investments in designated asset accounts instead of decreasing the principal of the mortgage. Col. 13, lines 39-67.

The present invention relates to a financial instrument. The present invention is directed to a linked account instrument used to access funds in at least one cash account backed by at least one credit account. Abstract, Claims 1 and 24. Specifically, the linked account instrument may be “a magnetically encoded plastic card similar to a credit card or ATM card.” Page 6, lines 6-7.

Therefore, Atkins teaches a subject matter completely different from the present invention. An understanding of this basic difference is helpful in demonstrating that Atkins does not anticipate the present invention.

(2) Atkins Does Not Disclose Every Element In Claim 1 or Claim 24.

First, Atkins does not disclose “*a linked account instrument*” as recited in Claim 1 and Claim 24.

The Office Action cites the following portions of Atkins as allegedly disclosing a “Linked Account Management System”:

“The client's accounts are monitored via a borrowing power baseline, and considered imbalanced if the client's borrowing power is less than the minimum borrowing power.” Abstract, lines 20-23.

“If the client account is still not balanced after modification of the account, the system will deny authorization for certain requested transactions, ...” Abstract, lines 25-28.

Neither these passages nor any other portions of Atkins discloses a linked account instrument that can be used to access funds in at least one cash account backed by at least one credit account. The cited passages merely describe application of “a borrowing power baseline” to the client’s accounts, which is similar to the operation of a line of credit. Specifically, Atkins does not teach or suggest any linked account instrument, one embodiment of which may be swiped at a point of sale (P.O.S.) terminal for purchasing goods and/or services (page 6, lines 10-13). In fact, Atkins “offers but does not require, backward compatibility with the use of existing credit cards, credit card systems, POS terminals, ...” (col. 10, lines 1-3), which is a clear

indication that Atkins does not contemplate a linked account instrument as recited in the present application.

Moreover, Atkins makes no reference to a cash account, much less a cash account that is backed by a credit account. Contrary to the Office Action's assertion that a cash account is inherent, a cash account is not necessary in the HOME Account™ system taught by Atkins because such system is primarily concerned with distribution of amortization payments among investment accounts and liability accounts (e.g., credit cards). Col. 13, lines 55-67. Even if cash accounts were contemplated by Atkins, they would not have been backed by credit accounts because, in Atkins, credit cards are just as one type of liability accounts to be considered in financial analysis, not ones that provide overdraft function for cash accounts. Col. 13, lines 61-62.

For at least these reasons, Atkins does not disclose "*a linked account instrument*" as recited in Claim 1 and Claim 24.

Second, Atkins does not disclose "*performing sweeps of said at least one cash account*" as recited in Claim 1 and Claim 24.

The Office Action cites the following portion of Atkins as allegedly disclosing "sweeps":

"The suggested prioritization function may recommend various forms of "sweeping" or allocating funds from or to one or more asset or liability accounts." Col. 7, lines 42-45.

In addition to the cited passage, the word "sweep" also appears in the following portions of Atkins (emphasis added):

"If desired, the system automatically manages a client's budgetary and financial affairs through a system of expert sweeps based on a client's preferences." Abstract.

“Such expert can provide her with an integrated financial plan that is frequently updated together with financial management tools such as expert account sweep features that automatically allocate funds in accordance with the plan.” Col. 8, lines 40-44.

“This subsystem incorporates automatic or expert sweep features between asset and liability accounts that provide a means of implementing, coordinating, supervising, planning, analyzing, and reporting on investments in an array of assets and liabilities from a variety of credit facilities.” Col. 13, lines 25-30.

“By executing PALAP, the system generates a preferred allocation of assets and liabilities based on system default variables and client input comprising variables specified by the individual which may be implemented through the HOME Account™ or MyNet™ systems of automated allocations or account sweeps.” Col. 49, lines 52-58.

“The outputs can be used to establish a system of expert sweeps or fund transfers that will either automatically or upon client approval sweeps funds from a HOME Account™ sub-account in order to implement the PALAO, PIBO and the individual's personal budget.” Col. 51, lines 50-54.

However, none of the cited portions uses the word “sweep” in the same sense or context as in the present application. As can be seen from the cited passages, a “sweep” in Atkins refers to an execution of fund allocation among assets and liabilities based on a client's preferences. It is simply movement of available funds following financial planning. In the present application, a “sweep” of a cash account typically involves determining whether there are sufficient funds to cover charges incurred through use of a linked account instrument. In contrast, the “sweep” in Atkins does not involve determining availability of funds or any linked account instrument.

Therefore, Atkins does not disclose "*performing sweeps of said at least one cash account*" as recited in Claim 1 and Claim 24.

In view of the foregoing, Claim 1 and 24 are not anticipated by Atkins. Since Claims 2-23 depend from Claim 1 and Claims 25-47 depend from Claim 24 respectively, these claims are not anticipated by Atkins either.

D. CONCLUSION

For at least the reasons provided above, Applicant respectfully submits that the application is in condition for allowance. Favorable reconsideration and allowance of the pending claims are respectfully solicited.

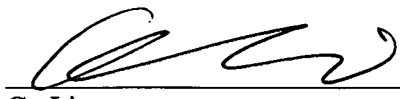
Should there be anything further required to place the application in better condition for allowance, the Examiner is invited to contact Applicant's undersigned representative at the telephone number listed below.

In the event any additional fees are due, the Commissioner is hereby authorized to charge the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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Limited Recognition
under 37 C.F.R. § 10.9(b)

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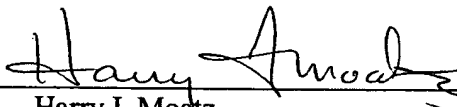
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Expires: June 6, 2004



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